

3 AUG 1982

MEMORANDUM FOR: Chief, Policy and Plans Group

FROM:

[redacted]  
Policy and Plans Group

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SUBJECT: Foreign Ownership, Control or Influence

1. On this date, the Executive Officer/DDA was briefed at his request regarding available information in the Office of Security regarding development of an Agency position on foreign ownership, control or influence (FOCI). He had been tasked to prepare a Headquarters notice by the DDA to implement proposed policy offered by the DDCI that would establish the percentage of foreign ownership no higher than 10 percent.

2. During the briefing, it was explained that a joint effort of the Office of Security and the Office of Logistics to develop comprehensive policy regarding FOCI had been completed only to be sidetracked by a Department of Defense (DoD) proposal to raise the 5 percent limit on FOCI to 20 percent. The latter percentage was later reduced to 15 percent, and this represents the current adjustment proposed by DoD. The Executive Officer/DDA was advised further that the limit on FOCI for SCI contracts was 5 percent and that this had been specified in a proposed revision of DCID 1/19.

3. Finally, he was told that the Director of Security had referred the FOCI question to the Security Committee (SECOM) and that the matter of a possible revision of DCID 1/19 was a current SECOM action item. We have been advised that the SECOM probably would approach the matter within the context of conformity with DoD regulations and with the perception that a 15 percent cutback was not unrealistic in today's climate.

4. The Executive Officer/DDA requested and was provided copies of the latest version of Appendix F of [redacted] which deals with FOCI. This settled at a 20 percent figure and it was understood that the percentage would be reduced to 15 percent. He was also given a copy of the pertinent section of the proposed DCID 1/19, this as an example of a general approach to the FOCI issue that might be appropriate to a brief policy statement. The meeting closed with a suggestion that the Executive Officer/DDA touch base with the Chairman, SECOM, who presumably had not been advised of the 10 percent limitation proposed by the DDCI.

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5. The substance of the proposed Headquarters notice to be prepared by the Executive Officer/DDA, specifically concerning percentage of applicable FOCI, was made known to the DD/P&M so that he might advise the Director of Security. The Chairman, SECOM, was also given a report concerning the DDCI's position ~~on~~ on FOCI in the event that it would have a bearing on plans for a proposed single issue meeting of the SECOM on FOCI scheduled for 17 August 1982.



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